

**TOWN OF FRANKLIN  
COUNTY OF DELAWARE  
LOCAL LAW NO. 2 FOR THE YEAR 2026**

**LOCAL LAW AFFECTING A TEMPORARY MORATORIUM WITHIN THE TOWN  
OF FRANKLIN, COUNTY OF DELAWARE, ON COMMERCIAL  
CRYPTOCURRENCY MINING OPERATIONS AND DATA PROCESSING CENTERS**

Be it enacted by the Town Board of the Town of Franklin, County of Delaware, as follows:

Section 1. Enactment and Title

The Town Board of the Town of Franklin does hereby enact a temporary moratorium on Commercial Cryptocurrency Mining operations and Data Processing Centers in the Town of Franklin, County of Delaware. This Local Law shall impose a moratorium on applications or proceedings, or the issuance of approvals or permits for Commercial Cryptocurrency Mining operations and Data Processing Centers within the Town.

Section 2. Authority and Intent; Findings; Purpose

A. Authority and Intent.

This Local Law is enacted pursuant to the authority and provisions of Section 10 of the Municipal Home Rule Law of the State of New York, and all other powers and authority vested in the Town Board of the Town of Franklin to regulate and control land use and to protect the health, safety and welfare of its residents.

B. Findings

The Town Board of the Town of Franklin hereby finds that it is in the interest of public health, safety and welfare to address, in a careful and thorough manner, the activities prohibited by Section 4 of this Local Law. Specifically, the Town Board finds and determines that the current comprehensive plan and zoning and land use laws, regulations, and permitting processes do not adequately protect the Town's unique character and significant natural and cultural resources while accommodating potential development of commercial cryptocurrency mining operations and data processing centers, and it is therefore in the best interests of the Town of Franklin to temporarily suspend the processing, review and approval of applications for their development. To accomplish this, the Town requires a reasonable period to further study the potential impacts and effects on land use, electrical use and supply, water use and supply, and the environment caused by such activities, and to consider possible amendments to the Town's zoning laws and/or comprehensive plan to address the same and to ensure consistency across all Town laws and/or the comprehensive plan.

C. Purpose

The purpose of the Local Law is to enable the Town of Franklin to stay the construction, operation and establishment of, and the submission and processing of applications for permits, zoning

permits, special permits, special use permits, zoning variances, building permits, operating permits, site plan approvals, subdivision approvals, certificates of occupancy, certificates of compliance, temporary certificates, and/or any other Town-level land use approvals respecting the activities prohibited by Section 4 of this Local Law, for a reasonable time, so as to allow the Town of Franklin time to study the potential impacts, effects, and possible controls over such activities and to consider possible amendments to the Town's laws and/or comprehensive plan to address the same. The Town Board of the Town of Franklin finds that a moratorium of one (1) year duration, coupled with an "Hardship Use Variance" procedure and a provision for the "grandfathering" of legal, pre-existing non-conforming uses will achieve an appropriate balance of interests between (i) the need to safeguard public health, safety, and welfare, as well as the character and other resources of the Town of Franklin, including but not limited to electrical and water resources; and (ii) the rights of individual property owners.

### Section 3. Definitions

"Cryptocurrency" is defined herein as a digital currency in which encryption techniques are used to regulate the generation of units of currency and verify the transfer of funds, operating independently of a central bank.

"Commercial Cryptocurrency Mining" is defined herein as the commercial process by which cryptocurrency transactions are verified and added to the public ledger, known as the block chain, and also the means through which new units of cryptocurrencies are released, through the use of Data Processing Centers employing data processing equipment.

"Data Processing Center" is defined herein as a facility housing multiple banks of computers within a building, modular facilities containing processors in multiple storage-like containers, server clusters commonly known as "Data Processing Centers" and other operations related to cryptocurrency mining, blockchain authenticating, Artificial Intelligence (A.I.) processing, general data computing, processing and storage, and other large-scale electronic-based centers of the like.

"Town Board" shall mean the Town Board of the Town of Franklin in the County of Delaware.

### Section 4. Moratorium and Prohibition

Within the territorial jurisdiction of the Town of Franklin, County of Delaware, during the effective period of this local law:

- A. The Code Enforcement Officer, Building Inspector, Review Board, or Zoning Board of Appeals shall not accept any application for a Data Processing Center or Commercial Cryptocurrency Mining operation.
- B. The Code Enforcement Officer, Building Inspector, Review Board, or Zoning Board of Appeals shall not grant any permit for any Data Processing Center or Commercial Cryptocurrency Mining operation.

No applications for either Commercial Cryptocurrency Mining operations or Data Processing Centers, or for related approvals for a site plan, special use permit, building permit, or any other permit shall be approved by any board, officer, employee or agent of the Town of Franklin while the moratorium imposed by this Local Law is in effect. Nothing in this Local Law shall be construed such as to result in any default approval for any application heard or considered during the moratorium imposed by this Local Law. This moratorium shall apply to all such applications, whether pending or received prior to the effective date of this law.

#### Section 5. Term

The moratorium imposed by this Local Law shall be in effect for a period of one (1) year from the effective date of this Local Law unless terminated earlier by the Town Board. During the period of the moratorium, the Town Board shall endeavor to amend the local zoning code and related laws to address and regulate Commercial Cryptocurrency Mining operations and Data Processing Centers.

#### Section 6. Penalties

A. Compliance Orders. The Code Enforcement Officer is authorized to order, in writing, the remedying of any condition or activity found to exist in violation of this Local Law. If the condition or activity is not remedied after the issuance of a compliance order, then an appearance ticket may be issued as provided hereinafter.

B. Appearance Tickets. The Code Enforcement Officer is authorized to issue appearance tickets for any violation of this Local Law. Any person who violates any provision of this Local Law shall be deemed guilty of a violation and, upon conviction thereof, shall be subject to a fine of not more than \$250 or to imprisonment for not more than 15 days, or both such fine and imprisonment. Each week's continued violation shall constitute a separate, additional violation.

C. Civil Penalty. In addition to those penalties prescribed herein, any person who violates any provision of this Local Law shall be liable to a civil penalty of not more than \$2,500 for each day or part thereof during which such violation continues. The civil penalties provided by this section shall be recoverable in a civil action instituted in the name of the Town of Franklin.

D. Injunctive Relief. An action or proceeding may be instituted in the name of the Town of Franklin, in a court of competent jurisdiction, to prevent, restrain, enjoin, correct, or abate any violation of, or to enforce, any provision of this Local Law. No action or proceeding described in this subdivision shall be commenced without the appropriate authorization from the Town Board of the Town of Franklin.

E. Remedies Not Exclusive. No remedy or penalty specified in this section shall be the exclusive remedy or penalty available to address any violation of this Local Law. Any remedy or penalty specified in this section and/or any other remedy or penalty provided by law, may be pursued at any time, whether prior to, simultaneously with, or after the pursuit of any other remedy or penalty specified in this section. In addition to the above-provided remedies, the Town Board may also seek reimbursement to the Town for costs incurred by the Town in identifying and remedying each violation, including but not limited to, reasonable attorney's fees.

### Section 7. Grandfathering of Pre-Existing Non-Conforming Use

Notwithstanding any provision hereof to the contrary, any Commercial Cryptocurrency Mining operations or Data Processing Centers in the Town of Franklin that have been duly approved as of the effective date of this Local Law, which are being operated in accordance with all applicable laws and regulations and in compliance with all valid permits required to be issued by all federal, state and local regulating agencies, shall be considered a pre-existing, non-conforming use and shall be allowed to continue, subject, however, to the provisions of this Section.

Any expansion of a lawful, pre-existing nonconforming use shall not be grandfathered under this Section, and instead shall in all respects be prohibited as contemplated by this Local Law. “Grandfathered” and lawful pre-existing uses neither have nor possess any right to expand such non-conforming use, whether above or below ground, and no such right shall be deemed, construed, or implied to exist.

### Section 8. Hardship Use Variance

The Town Board is hereby authorized to accept and review (after public notice and hearing and in accordance with the requirements of law and of this Local Law) requests for a hardship use variance from application of the provisions of this Local Law by any person aggrieved hereby.

No such use variance shall be granted without a showing by the applicant that applicable regulations and restrictions have caused unnecessary hardship. In order to prove such unnecessary hardship the applicant shall demonstrate that for each and every permitted use under the zoning regulations for the particular district where the property is located: (i) the applicant cannot realize a reasonable return, provided that lack of return is substantial as demonstrated by competent financial evidence; (ii) that the alleged hardship relating to the property in question is unique, and does not apply to a substantial portion of the district or neighborhood; (iii) that the requested hardship use variance, if granted, will not alter the essential character of the neighborhood; and (iv) that the alleged hardship has not been self-created.

In the event a hardship use variance from the provisions of this Local Law is granted to the applicant, the applicant shall be required to comply with all provisions of the Town of Franklin’s then applicable land use laws and other laws and regulations. The Town Board, in the granting of a hardship use variance, shall grant the minimum variance that it shall deem necessary and adequate to address the unnecessary hardship proved by the applicant, and at the same time preserve and protect the character of the neighborhood and the health, safety and welfare of the community.

### Section 9. Severability

If any word, phrase, sentence, part, section, subsection, or other portion of this Local Law, or the application thereof to any person or to any circumstance, is adjudged or declared invalid or unenforceable by a court or other tribunal of competent jurisdiction, then, and in such event, such judgment or declaration shall be confined in its interpretation and operation only to the provision

of this Local Law that is directly involved in the controversy in which such judgment or declaration is rendered, and such judgment or declaration of invalidity or unenforceability shall not affect or impair the validity or enforceability of the remainder of this Local Law or the application hereof to any other persons or circumstances. If necessary as to such person or circumstances, such invalid or unenforceable provision shall be and be deemed severed herefrom, and the Town Board hereby declares that it would have enacted this Local Law, or the remainder thereof, even if, as to particular provisions and persons or circumstances, a portion hereof is severed or declared invalid or unenforceable.

#### Section 10. Superseding Intent and Effect

It is the specific intent of the Town Board that this Local Law shall supersede any inconsistent provisions of Sections 267, 267-a, 267-b, 274-a, 274-b and 276 of the Town Law of the State of New York, as well as all other inconsistent provisions of local ordinances, local laws, or local resolutions or policies of the Town of Franklin, including but not limited to provisions of the aforementioned state and local laws, ordinances, resolutions or policies that require the approval, or affect a default approval of land use applications within certain statutory time periods.

#### Section 11. General Provisions

A. The Code Enforcement Officer is hereby designated as the enforcement officer for purposes of interpreting and enforcing this Local Law.

B. The section and other headings and titles to clauses and phrases in this Local Law are for convenience only, and shall not be used or construed to limit or define the scope or application of the clauses and phrases so following such headings or titles. Each section of this Local Law, whether in the nature of a preamble or otherwise, is a material part of this Local Law.

#### Section 12. Effective Date

This Local Law shall take effect immediately upon filing with the New York Department of State in accordance with Section 27 of the Municipal Home Rule Law.